

STATE FIRE AND TORNADO FUND  
INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2005

	July-05				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Month	FYTD	FY05	Ended	Ended
		Actual		Net ROR	Net	Net	6/30/2005	6/30/2005
							Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>								
<i>Structured Growth</i>								
Los Angeles Capital	728,085	2.9%	2.8%	4.33%	4.33%	7.56%	N/A	N/A
<b>Total Structured Growth</b>	<b>728,085</b>	<b>2.9%</b>	<b>2.8%</b>	<b>4.33%</b>	<b>4.33%</b>	<b>7.56%</b>	<b>7.46%</b>	<b>-9.18%</b>
<i>Russell 1000 Growth</i>				4.89%	4.89%	1.68%	7.26%	-10.36%
<i>Structured Value</i>								
<b>LSV</b>	<b>734,019</b>	<b>2.9%</b>	<b>2.8%</b>	<b>4.05%</b>	<b>4.05%</b>	<b>18.35%</b>	<b>14.73%</b>	<b>14.78%</b>
<i>Russell 1000 Value</i>				2.89%	2.89%	14.06%	11.00%	6.55%
<i>Russell 1000 Enhanced Index</i>								
<b>LA Capital</b>	<b>1,433,962</b>	<b>5.7%</b>	<b>5.6%</b>	<b>3.84%</b>	<b>3.84%</b>	<b>7.93%</b>	<b>N/A</b>	<b>N/A</b>
<i>Russell 1000</i>				3.89%	3.89%	7.92%	N/A	N/A
<i>S&amp;P 500 Enhanced Index</i>								
<b>Westridge</b>	<b>1,424,825</b>	<b>5.7%</b>	<b>5.6%</b>	<b>3.75%</b>	<b>3.75%</b>	<b>6.58%</b>	<b>N/A</b>	<b>N/A</b>
<i>S&amp;P 500</i>				3.72%	3.72%	6.32%	N/A	N/A
<i>Index</i>								
State Street	472,053			3.70%	3.70%	6.27%	8.22%	-2.45%
<b>Total Index</b>	<b>472,053</b>	<b>1.9%</b>	<b>1.9%</b>	<b>3.70%</b>	<b>3.70%</b>	<b>6.27%</b>	<b>8.22%</b>	<b>-2.45%</b>
<i>S&amp;P 500</i>				3.72%	3.72%	6.32%	8.28%	-2.37%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>4,792,944</b>	<b>19.2%</b>	<b>18.8%</b>	<b>3.91%</b>	<b>3.91%</b>	<b>8.89%</b>	<b>9.59%</b>	<b>-0.28%</b>
<i>S&amp;P 500</i>				3.72%	3.72%	6.32%	8.28%	-2.37%
<b>SMALL CAP DOMESTIC EQUITY</b>								
<i>Manager-of-Managers</i>								
<b>SEI</b>	<b>1,651,254</b>	<b>6.6%</b>	<b>6.3%</b>	<b>6.87%</b>	<b>6.87%</b>	<b>9.32%</b>	<b>13.32%</b>	<b>N/A</b>
<i>Russell 2000 + 200bp</i>				6.50%	6.50%	11.64%	15.07%	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>1,651,254</b>	<b>6.6%</b>	<b>6.3%</b>	<b>6.87%</b>	<b>6.87%</b>	<b>9.32%</b>	<b>13.32%</b>	<b>5.50%</b>
<i>Russell 2000</i>				6.34%	6.34%	9.45%	12.81%	5.71%
<b>CONVERTIBLES</b>								
<b>TCW</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>Merrill Lynch All Convertibles</i>				0.00%	N/A	N/A	N/A	N/A
<b>INTERNATIONAL EQUITY</b>								
<i>Large Cap - Active</i>								
Capital Guardian	1,017,848	4.1%	4.0%	3.78%	3.78%	10.32%	7.44%	-3.80%
LSV	1,030,741	4.1%	4.0%	3.40%	3.40%	N/A	N/A	N/A
Transition Account	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<b>Total Large Cap - Active</b>	<b>2,048,589</b>	<b>8.2%</b>	<b>8.0%</b>	<b>3.59%</b>	<b>3.59%</b>	<b>13.23%</b>	<b>12.39%</b>	<b>7.26%</b>
<i>MSCI EAFE - 50% Hedged</i>				3.40%	3.40%	14.41%	8.84%	-2.61%
<i>Small Cap - Value</i>								
<b>Lazard</b>	<b>250,453</b>	<b>1.0%</b>	<b>1.0%</b>	<b>3.90%</b>	<b>3.90%</b>	<b>18.18%</b>	<b>N/A</b>	<b>N/A</b>
<i>Citigroup Broad Market Index &lt; \$2BN</i>				3.90%	3.90%	21.33%	N/A	N/A
<i>Small Cap - Growth</i>								
<b>Vanguard</b>	<b>253,770</b>	<b>1.0%</b>	<b>1.0%</b>	<b>4.53%</b>	<b>4.53%</b>	<b>24.11%</b>	<b>N/A</b>	<b>N/A</b>
<i>Citigroup Broad Market Index &lt; \$2BN</i>				3.90%	3.90%	21.33%	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>2,552,811</b>	<b>10.2%</b>	<b>10.0%</b>	<b>3.71%</b>	<b>3.71%</b>	<b>15.34%</b>	<b>10.62%</b>	<b>-2.10%</b>
<i>MSCI EAFE - 50% Hedged</i>				3.40%	3.40%	14.41%	8.84%	-2.61%
<b>DOMESTIC FIXED INCOME</b>								
<i>Core Bond</i>								
<b>Western Asset</b>	<b>4,616,875</b>	<b>18.5%</b>	<b>18.3%</b>	<b>-0.52%</b>	<b>-0.52%</b>	<b>7.14%</b>	<b>7.36%</b>	<b>8.59%</b>
<i>Lehman Aggregate</i>				-0.91%	-0.91%	6.80%	5.75%	7.40%
<i>Index</i>								
<b>Bank of ND</b>	<b>4,257,497</b>	<b>17.1%</b>	<b>18.3%</b>	<b>-0.96%</b>	<b>-0.96%</b>	<b>4.08%</b>	<b>5.66%</b>	<b>7.26%</b>
<i>Lehman Gov/Credit (1)</i>				-1.13%	-1.13%	4.80%	5.82%	7.35%
<i>BBB Average Quality</i>								
<b>Wells Capital (formerly Strong)</b>	<b>4,586,184</b>	<b>18.4%</b>	<b>18.3%</b>	<b>-0.71%</b>	<b>-0.71%</b>	<b>9.14%</b>	<b>9.20%</b>	<b>N/A</b>
<i>Lehman US Credit BAA</i>				-0.74%	-0.74%	8.60%	9.42%	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>13,460,555</b>	<b>54.0%</b>	<b>55.0%</b>	<b>-0.72%</b>	<b>-0.72%</b>	<b>6.14%</b>	<b>6.59%</b>	<b>7.79%</b>
<i>Lehman Gov/Credit</i>				-1.13%	-1.13%	7.26%	6.41%	7.70%
<b>CASH EQUIVALENTS</b>								
<b>Bank of ND</b>	<b>2,485,190</b>	<b>10.0%</b>	<b>10.0%</b>	<b>0.29%</b>	<b>0.29%</b>	<b>2.46%</b>	<b>1.74%</b>	<b>2.68%</b>
<i>90 Day T-Bill</i>				0.23%	0.23%	2.15%	1.55%	2.62%
<b>TOTAL FIRE &amp; TORNADO FUND</b>	<b>24,942,755</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.20%</b>	<b>1.20%</b>	<b>6.55%</b>	<b>7.91%</b>	<b>4.25%</b>
<b>POLICY TARGET BENCHMARK</b>				<b>0.84%</b>	<b>0.84%</b>	<b>6.74%</b>	<b>7.33%</b>	<b>4.19%</b>

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.